

EEB



United States Department of State

Washington, D.C. 20520

Dear Mr. Pomeroy:

AUG 27 2008

RELEASED IN FULL

Thank you for your July 31 letter inquiring about the State Department's progress in implementing Executive Order 13337 and the impact this new process has had on construction of cross-border petroleum pipelines that cross North Dakota or interconnect with North Dakota pipelines.

This Administration has moved to streamline and modernize the Presidential permitting process for energy-related projects. Under an Executive Order 13337 signed by President Bush, we have improved that permitting process by trimming the inter-agency review time to 90 days. Our efforts come at a key juncture, just as the United States anticipates receiving greater volumes of Canadian crude oil. This is just one of the most recent examples of how this Administration's efforts are increasing energy integration in North America.

In March of this year, we issued a Presidential Permit to TransCanada Keystone Pipeline LP to construct a pipeline to transport petroleum from Alberta, Canada, crossing the border at northeastern North Dakota, to the greater Chicago area and farther south to Cushing, Oklahoma. TransCanada began construction in May, with an estimated date of completion around the end of 2009. Once online, the Keystone pipeline will initially deliver around 435,000 barrels a day of oil, potentially expanding up to 590,000 barrels a day by 2010. In June, we issued a permit to Enbridge Pipelines (Southern Lights) L.L.C. for its Southern Lights Pipeline project, which is anticipated to bring additional Canadian oil to the U.S. Midwest.

We are also presently reviewing the Presidential Permit application of Enbridge Energy, Limited Partnership, to construct the Alberta Clipper Pipeline linking oil produced in Alberta, Canada to existing pipeline networks in Wisconsin (the only pending pipeline application at the moment). If approved, Alberta Clipper would initially provide 450,000 barrels a day of oil to the U.S. pipeline distribution network, potentially expanding to 800,000 barrels a day by 2010.

The Honorable
Earl Pomeroy,
House of Representatives.

42008 0811-009

All told, the Keystone and Alberta Clipper pipelines could increase crude oil supply from Alberta to the United States by about 1.4 million barrels per day by 2010, or more than six percent of our current daily consumption. This extra capacity will be available to handle the near-term projected increases in oil sands output in Canada and to significantly enhance U.S. energy security by accommodating our projected increase in demand. It will also help make up for lost production from some of the United States' other suppliers.

The following bureaus within the State Department have dedicated staff and resources to the permitting process: the Bureau of Economic, Energy, and Business Affairs; the Bureau of Oceans, Environment, and Science; and the Office of the Legal Advisor. Although Executive Order 13337 has expedited State Department review of pipeline permit applications, the timing for issuance of a Presidential permit is largely driven by the need to gather and review the necessary environmental and related information required by the National Environmental Policy Act (NEPA) and other relevant federal statutes and regulations.

You also asked about the status of the interagency working group announced by the Department in a Federal Register notice published on October 30, 2007. The purpose of the working group is to help the Department develop guidance regarding a definition of the terms "at the borders of the United States" for purposes of the Presidential permitting program. The working group has met to discuss the issue and the Department hopes to issue guidance for the public resulting from those deliberations in the near future.

Thank you for your interest in this area. Please do not hesitate to contact us again about this or any other matter.

Sincerely,



Matthew A. Reynolds
Acting Assistant Secretary
Legislative Affairs

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8/11/2008

H:\SeEnergy\DARS, Congressionals, and Welcome Home\Congressional -
Reply to Pomeroy on Presidential Permits for pipelines

Drafted: EEB/ESC/IEC: J. Brian Duggan (202-647-1291)

Approved: EEB David D. Nelson, Acting - ok

Cleared: EEB/ESC - Steve Gallogly - ok
EEB/FO - Drew Weinschenk - ok
EEB/ESC - DAS Douglas Hengel - ok
L-EB - John Schnitker - ok
L/OES - Keith Benes - ok
WHA/CAN - Eleanor Fox -ok
OES/ENV - Betsy Orlando - info
H - Betsy Fitzgerald - ok

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COMMITTEE ON WAYS AND MEANS

SUBCOMMITTEES:
HEALTH
SOCIAL SECURITY

COMMITTEE ON AGRICULTURE

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GENERAL FARM COMMODITIES AND
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NUTRITION, AND FORESTRY
SPECIALTY CROPS, RURAL DEVELOPMENT
AND FOREIGN AGRICULTURE

RURAL HEALTH CARE COALITION
CO-CHAIR

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Earl Pomeroy
Congress of the United States
North Dakota

July 31, 2008

The Honorable Condoleezza Rice
Secretary
U.S. Department of State
2201 C Street, N.W.
Washington, DC 20520

Dear Secretary Rice:

I am writing to inquire about the Department of State's implementation of Executive Order 13337, which was issued by President Bush on April 30, 2004 "to expedite reviews of permits as necessary to accelerate the completion of energy production and transmission projects." The Executive Order authorizes the Secretary of State to receive, review and approve or deny applications for border crossing permits for "facilities for the exportation or importation of petroleum, petroleum products, coal, or other fuels . . ." I support the goal of enhancing North American energy security and expanding the infrastructure to transport North Dakota and other domestic oil production to markets through pipeline systems that interconnect with cross-border pipelines.

Increased use of renewable fuels, including ethanol and wind, as well as traditional fossil fuels such as coal or oil, are all important parts of ensuring energy independence and national security. North Dakota can play a role in developing all of these energy resources. North Dakota has significant potential for wind energy generation, and is one of the top producers of ethanol in the nation.

North Dakota also has tremendous potential for fossil fuel production in the Bakken Shale formation. In April, the U.S. Geological Survey released a report estimating that the Bakken Shale formation in western North Dakota holds up to 3.65 billion barrels of recoverable oil. Development of the Bakken Shale formation is leading to expanded investment in our state and is providing a secure supply of domestic oil production.

While recent projects have expanded pipelines serving our state, North Dakota oil producers have recently faced constraints in crude oil transportation options. Downstream projects that require cross-border Presidential Permits are ultimately critical to ensuring capacity to deliver North Dakota production to refining markets.

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LEGISLATIVE AFFAIRS

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I understand that the State Department is currently reviewing applications for border crossing permits under E.O. 13337, and that this process includes the Department assuming the lead agency role under the National Environmental Policy Act (NEPA). I am interested in the State Department's progress in implementing E.O. 13337, and the impact of this new process on construction of cross-border pipelines that cross North Dakota or interconnect with North Dakota pipelines.

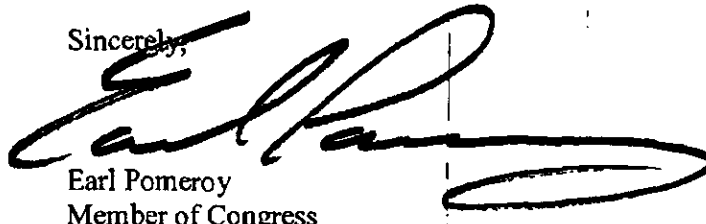
To that end, I would appreciate your responses to the following questions:

- How many applications are pending that are subject to NEPA review by the Department of State?
- What is the expected timeline for completing review of these applications? Are those timelines shorter than previous such applications prior to E.O. 13337?
- What Department staffing and funding resources are dedicated to the Presidential Permit application process, including the appropriate compliance with NEPA?
- What is the status of the interagency working group announced by the Department in a Federal Register notice published on October 30, 2007? The notice stated the intent to "assemble an interagency working group. . . to develop guidance regarding a definition of 'U.S. facilities at the borders of the United States for the exportation or importation of petroleum, petroleum products, coal, or other fuels' for purposes of Presidential permits issued under Executive Order 13337 . . ."

I look forward to your responses to these questions and learning more about the Department's progress in implementing Executive Order 13337.

Thank you for your work on this issue. Your timely response will be greatly appreciated.

Sincerely,



Earl Pomeroy
Member of Congress

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Thomas, Hazel B

To: EEB-A-STAFF-ASSISTANTS-DL; Fitzgerald, Betsy A
Subject: H20080811=009 -Writing inquiring about DOS' implementation of EXecutive Order 13337, issued by POTUS 4/30/04" to expedite review of permits as necessary to accelerate the completion of energy production and transmission projects.

Importance: High



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(135 KB)

8/20/2008

The reply to the attached 2-Day tasker due on August 13 is now a week overdue. We would like to have the tasker in the CCU no later than Friday, August 22. If you need substantive assistance, please contact Betsy Fitzgerald, the H-LMC who is the liaison to your bureau. If you have questions regarding format or syntax, please contact the CCU. Thank you in advance for your immediate attention and prompt action to resolve this matter.

Hazel Thomas H-CCU
7-0609

For all correspondence that will be signed by the Secretary or other Principal: Please include a copy of the S/ES -CR clearance sheet for all congressional correspondence to be signed by the Secretary or other Principal. The Secretary of State now requires that all Substantive Congressional Correspondence (Yellow Borders) be responded to within 2 work days. The attached Substantive Correspondence is due in the Congressional Correspondence Unit (CCU) on the date indicated on the tasker. Constituent Correspondence must now be responded to within 7 work days. Reminder: Procedures for picking up Constituent Correspondence have not changed. Bureaus are still required to pick up Constituent Correspondence from the CCU daily in Room 7330. DATE DUE: 8/14/2008

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CONGRESSIONAL CORRESPONDENCE CLEARANCE



H 2008 0811=009

Initial for clearance or return for edits with remarks. Pass on in numerical order with final stop in H/CCU. **PLEASE, DO NOT** return to drafting office without sending to or notifying CCU first.

Name: Pomeroy	Date: 08/25/2008 1:00 PM
Subject: Writing regarding the Department's implementation of Executive Order 13337 and the impact this process has had on construction of cross-border pipelines that cross North Dakota	

	Initials	Date
1. Hstaff - Log In	CB	
2. Fitzgerald	JP	8/26
3. Lang	A.L.	AUG 26
4. Kamins		Nickel (on leave)
5. Starr		(on leave)
6. Daniels	OPD	8/26
7. Polt	OPD	8/26
8. Reynolds	MR	8/26
9. Hstaff - Log Out	ML	8/27

COMMENTS:

- Return to Roxanne Reed x72163
- File is on Classified System under HCCU Tasker folder
- Comment:
-

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DEPARTMENT OF STATE CONGRESSIONAL
CORRESPONDENCE TASKER



IPS CONTROL# **H2008** 0811=009

ACTION BUREAU: FFB
WHA

DATE: AUG 11 2008

IPS:

☒ SUBSTANTIVE ☐ CONSTITUENT

☒ IMAGE ENTIRE DOCUMENT ☐ IMAGE ONLY FIRST ☐ PAGES

BUREAU:

AUG 11 2008

BUREAU ACTION REQUESTED: RESPOND TO CCU **2** DAYS FROM: _____

☒ REPLY FOR SIGNATURE BY MATTHEW A. REYNOLDS, ACTING ASSISTANT
SECRETARY, LEGISLATIVE AFFAIRS

☐ ADDRESS ENVELOPE TO DISTRICT OFFICE

☐ DIRECT REPLY TO CONSTITUENT BY OFFICE DIRECTOR WITH COPY TO
CONGRESSIONAL OFFICE. PHONE 7-1608 WHEN COMPLETED

☐ FYI ONLY/NO RESPONSE NECESSARY

☐ REPLY FOR SIGNATURE DIRECTLY BY BUREAU

☐ OTHER ACTION: _____

FOR GUIDANCE/INFORMATION ON FORMATTING CONGRESSSIONALS SEE:
<http://www.legislativeaffairs.state.gov/index.cfm?fuseaction=publicdisplay&shortcut=JJPN>

Due Date 8/13/08 8/14/08

****BUREAUS MUST MAKE TRANSFERS OF ACTION DIRECTLY WITH RECEIVING BUREAU'S FRONT
OFFICE. The CCU has a listing of contacts. PLEASE NOTIFY CCU 7-1608 OF ALL TRANSFERS OF
ACTION****

8/20 E-Mail Reminders

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FROM: Matthew A. Reynolds (H)

AUG 5 2008

Recommendation

_____ For the Secretary's
signature to the _____ bureau

_____ Tasked to the WLA bureau
for signature by Matthew A.
Reynolds, Acting A/S NR

_____ Provide copy of H signed
response

COMMENTS:

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